



HOUSE OF REPRESENTATIVES

SB 1432

temporary conservation easement; taxation

Prime Sponsor: Senator Griffin, LD 14

X Committee on Agriculture, Water and Lands

Caucus and COW

House Engrossed

Summary of the Proposed Strike-Everything Amendment to SB 1432

The proposed strike-everything amendment to SB 1432, effective on January 1, 2017, establishes a separate classification for and requires county assessors to establish a digital registry of taxable properties burdened by conservation easements.

PROVISIONS

1. Establishes a separate tax classification for properties burdened by conservation easements and establishes an assessment ratio of 15%.
2. Requires all county assessors to establish and maintain a digital registry of properties burdened by a conservation easement and classified as class two C property. The registry must include the following:
 - a. Property owner's name;
 - b. Date the easement was created or recorded;
 - c. Duration of the easement; and
 - d. Date or conditions for the easement to terminate, if established as a limited easement.
3. Requires all county assessors to:
 - a. Review and revise the information in the registry to verify that the properties should remain as class two C; and
 - b. Compile an initial registry of properties burdened by a conservation easement by June 30, 2020.
4. Contains an effective date of January 1, 2017.
5. Makes technical and conforming changes.

CURRENT LAW

A.R.S. § 42-12002 and § 42-15002 establishes classifications of and the assessment ratio for class 2 property, which includes agricultural property, properties of non-profit organizations and vacant land. Class two contains two subclassifications established as class two P (personal property) and class two R (real property). The strike-everything amendment to SB 1432 will establish a third subclassification specifically for real property and improvements to real property burdened by a conservation easement with an assessment ratio of 15%. The assessment ratio for Class 2 P and R is 15%, which was effective on January 1, 2016.

ADDITIONAL INFORMATION

A conservation easement is a voluntary agreement between a landowner and an organization or government that limits the use of the land that is burdened by the easement. Conservation easements may be permanent or temporary; the ownership of the land is maintained by the landowner but the development rights belong to the easement holder and vary depending on the terms of the easement.